



## COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Thursday, May 8, 2008  
9:00 am – 1:00 pm

Mr. Andrew Houghton, Committee Chairperson, called the meeting to order at 9:00 am. In accordance with Committee practice, he asked attendees to introduce themselves.

### **I. Swearing-In Ceremony**

Mr. Houghton announced that President George W. Bush has appointed Mr. Neil Romano as a member of the Committee representing the U.S. Department of Labor.

Mr. Houghton welcomed Mr. Romano and asked him to address the Committee.

Mr. Romano said he looks forward to working with the Committee and has enjoyed his first six weeks with the Office of Disability Employment Policy.

Mr. Houghton administered the Oath of Office and presented Mr. Romano with his Commission.

### **II. Consideration of Minutes – April 15, 2008**

Mr. Houghton asked Ms. Angela Phifer, Committee Executive Assistant, if there were any changes to the April 15, 2008 minutes. She said there were no changes.

Mr. James Omvig, Committee Vice Chairperson, made a motion that the minutes be accepted. His motion received a second from Tony Poleo, Department of Defense (DLA). The minutes were adopted by unanimous vote.

### **III. Presentation by Winston-Salem Industries for the Blind**

Mr. Dan Boucher, Executive Chairman, gave a presentation on Winston-Salem Industries for the Blind (IFB). The IFB was founded in 1936 and for almost 40 years they have been involved with the AbilityOne Program. Today it is the largest employer of blind people in North Carolina with over 300 workers and fills annual contracts for labor and services valued in excess of \$80 million. Mr. Boucher invited the Committee members to come and visit.

IFB's mission is to "provide opportunities for persons who are blind or visually impaired in need of training, employment and services. We believe that all persons who are blind or visually impaired have the right to succeed in every area of life."

Mr. Boucher gave some facts about the IFB. In 1996, there were 73 employees who were blind and today that number has grown to 378. He said no one is turned away who wants to work. Eighty-five percent of employees did not have a job before they came to IFB. The IFB has 41 locations including base supply centers and VA Hospitals.

In 1992, NIB asked IFB to help with developing a facility in Asheville. A full service cafeteria was added and the new facility now sits on 18 acres. Mr. Boucher then showed a Fox News clip of a story that was done on the “War on Terror” and how the employees at the Winston-Salem and Asheville facilities are helping to produce military products and clothing.

Some of IFB’s new product opportunities include impulse marketing items and optical services. Ninety-eight percent of the business is AbilityOne and the other two percent is mattresses, retail stores and optical services. IFB plays a vital role in supporting veterans and military families by providing eyeglasses and optical services while creating jobs for legally blind persons under the AbilityOne Program. Their 35,000 square foot lab produces 600 pairs of eyeglasses daily. A lot of the employees at “Eyes Right” are retired veterans and their motto is “Veterans Serving Veterans.” The IFB’s base supply stores are called Paperclips, Etc. They sell office supplies and cleaning products on military installations to soldiers across America.

In 2006, IFB was presented with an opportunity to establish a facility in Mayaguez, Puerto Rico. Puerto Rico has a huge population of people who are blind and a lot of them have expertise in the textile industry. With 132 blind employees, the Puerto Rico facility has exceeded its original business plan goals. The Puerto Rican government is very supportive of the IFB.

Mr. Omvig asked about the average wages paid to blind workers. Mr. Boucher said employees start at minimum wage and after three months they receive an additional 25 cents per hour. The wages range from \$8.50 to \$14.00 per hour with incredible full benefits package. Mr. Boucher also said upward mobility is very important to the IFB.

Mr. Boucher’s concerns for the future include increase competition vying for the same government business. Mr. Houghton asked Mr. Boucher about where the company is heading in the next 10 years with the change in market trends and what skills they are looking for. Mr. Boucher said the market is changing and that they are planning strategically to grow their jobs. The IFB would like to increase their presence in the service industry.

#### **IV. Status of Legislative Recommendations**

Mr. Dennis Lockard, Committee Counsel, reported on the status of the Committee’s legislative recommendations. He said the report has been forwarded to the Office of Management and Budget (OMB). The recommendations cover specific areas of the JWOD Act. Six agencies commented and the Committee addressed their concerns and sent the report back to OMB. Mr. Lockard said he is awaiting final response from OMB regarding what appropriate steps should be taken and if the report was accepted.

Mr. Houghton said he is anxiously awaiting OMB’s response.

#### **V. Litigation Update**

Mr. Dennis Lockard, Committee Counsel, reported on the Committee’s current litigation. The Committee is currently involved in three active lawsuits.

First, Mr. Lockard reported on ARC Diversified regarding a price impasse decision by the Committee on one of its products, export vegetable oil. The case is in bankruptcy court and no new action has been taken.

The second lawsuit involves Platte River Industries (PRI) suing the Committee over a pricing impasse appeal decision on the price for janitorial services at the Cesar Chavez Building in Denver, Colorado. The Committee staff provided the Administrative Record to the U.S. Attorney's Office and it was filed on the Committee's behalf. Mr. Lockard is awaiting notice of a briefing schedule.

The third lawsuit involves Positive Access, Inc. (PAI), which is also a bankruptcy case in Las Vegas, Nevada related to an AbilityOne project that was moved from PAI to another nonprofit agency. The bankruptcy court has rejected the case as beyond their area of expertise and referred the case to the U.S. Court of Federal Claims if PAI wishes to continue with the case. The Committee must now wait to see what action the plaintiff takes regarding the case.

## **VI. Review of Priority Topics for Consideration by Subcommittees**

Ms. Tina Ballard, Executive Director, gave a review of how the Committee established the subcommittee process, the membership, and the priority topics for consideration. She discussed how the issues are worked through the subcommittee before they are turned over to the full Committee. Ms. Ballard also discussed the subcommittee's accomplishments and their topics for the future.

Mr. Romano made an observation that there should be some rules regarding how issues are treated that overlap into another subcommittee. He said the subcommittee Chairs have to communicate. Mr. Felipe Mendoza, General Services Administration, agreed with Mr. Romano's comments. Ms. Ballard said she would provide a copy of her presentation to the members and the CNAs.

## **VII. Subcommittee Reports**

### **Governance**

Dr. Ed Anthony, Chair of the Governance subcommittee reported that there was no meeting and no news to report.

### **Business Development**

Mr. Felipe Mendoza, Chair of the Business Development subcommittee, said the group met during the NISH Conference in Los Angeles, California on April 16<sup>th</sup>. Ms. Jean Grandinetti from Agility Logistics, provided an overview of the organization's goal of partnering with AbilityOne. Agility Logistics is a large Department of Defense (DoD) prime contractor and they would like to utilize AbilityOne associated nonprofit agencies as subcontractors on large DoD prime contracts.

Next, Mr. Mendoza reported that Mr. Tom Ahmann, ReadyOne, provided an overview of ReadyOne's business and progress over the last two years. ReadyOne has maintained a direct labor ratio of 76 percent and has several efforts under way to better serve people with disabilities in the El Paso area.

Ms. Kimberly Zeich, Committee staff, gave an overview of mid-year results and projections based on CNA operations reports to the Committee staff. The Committee staff also provided a Communications update.

Mr. Mendoza said the next meeting is scheduled for June 12, 2008.

### **Planning and Evaluation (P&E)**

Mr. James Omvig, Chair of the P&E subcommittee, reported that the subcommittee postponed their meeting until June 12, 2008.

### **Finance & Information Management**

Mr. Tony Poleo, Chair of the Finance subcommittee, thanked the Committee staff for their assistance with the CNA fee recommendations. He said this has been a transition year and he hopes that the process goes smoother next year.

Mr. Poleo reported that the CNA levels will hold at the 2008 levels – 3.83% for NIB and 3.75% for NISH. He said the CNAs can submit their comments by May 16<sup>th</sup> and the vote letter will be distributed on May 19<sup>th</sup>.

Mr. Robert Chamberlin, President & CEO, NISH said that the fee will have an impact on NISH's activities and what they will be able to do. He said the fee gives NISH a lot to react to.

Mr. Poleo asked how the budget process could be streamlined. Ms. Kathy James, Department of the Air Force, said she would like more information on the CNA's proposed levels. Mr. Patrick Rowe, Deputy Executive Director, said the budgets are prepared at the same levels. He said the CNAs submit their business plans based on what they would do with a certain fee. Mr. Houghton said that any of the members are welcome to review the business plans submitted by the CNAs. Mr. Chamberlin said NISH submitted what they would be able to do around the proposed fee and not their desired levels.

## **VIII. CNA Reports**

### **NISH**

Mr. Robert Chamberlin, President/CEO, reported on NISH's activities. First, he thanked everyone who attended the 2008 NISH National Conference in Los Angeles, CA. He said it was a very uplifting experience.

Next, Mr. Chamberlin discussed the legislation. He said in the midst of the proposed legislation, the one percent coalition has good intentions. He said it will create job opportunities in commercial sectors. He said Mr. Pat Jonas and Mr. John Kemp were very satisfied with the approach that was discussed. He said he plans to have another conversation with Mr. Kemp later today. He said they are willing to work with the Committee on complicated projects.

Mr. Chamberlin reported on a new project involving Navy provisions being loaded on Navy ships on the East and West Coast. Mr. Woody Van Valkenburgh, President and CEO, Rappahannock Goodwill Industries, opened up discussions about laundry services. Mr. Chamberlin said different business lines are being put on the Federal Supply Schedules such as Fleet Management at the Aberdeen Proving Ground.

Mr. Fred Williams was featured in the Ft. Worth Star Telegram. Mr. Williams continues to speak around the country conveying the plight of disabled Iraqi veterans.

Mr. Chamberlin also discussed the updates to the FAR and DFAR. He said NISH is willing to support with the help of procurement experts.

Finally, Mr. Chamberlin reported that the NCWC is looking into an inquiry regarding security clearances made by Mr. James House, Department of Agriculture.

## **NIB**

Mr. Kevin Lynch, Interim CEO, National Industries for the Blind (NIB), reported on their recent activities. Mr. Lynch said he is going over the draft legislation. He said the legislation could have significant changes and improvements to the program. He will discuss the changes with the NAEPB and the NIB Board. The NIB Executive Committee voted to support the draft legislation.

Mr. Lynch said the URL for abilityone.com is up for consideration and the company was contacted 10 days ago. He will keep the Committee informed if there is any movement. JWOD.com sales went up 25 percent over last year. There has been a sales growth of over \$15 million and order transactions are on the rise. There are five customer care representatives who are blind and one assistant supervisor that is legally blind.

Next, Mr. Lynch gave an update on the General Services Administration (GSA) and said their business is holding up well. He said there was a downturn in DoD because the initial forecast was incorrect. He said this may mitigate impact. Mr. Lynch invited everyone to attend the 2008 NIB Sales Conference on June 21-24 in Scottsdale, Arizona.

Mr. Lynch said the search for a new President & CEO is ongoing. He said the search firm has been selected and a job announcement should be posted in a couple of weeks.

Mr. Rowe asked Mr. Chamberlin and Mr. Lynch to give an update on some of the difficulties NIB and NISH agencies have been experiencing with delivery and performance. Both CNAs reported that deliveries are back on track for items used during natural disasters.

Mr. Houghton asked about the process to obtain a formal letter of support concerning the legislation. Mr. Chamberlin said there should be a vote by the Executive Committee. There was some concern with the definition of severely disabled. The definition should be more robust.

## **IX. Executive Director's Report**

Ms. Tina Ballard, Executive Director, introduced LTC Michael Rogers and he gave a report on the Wounded Warriors Program. LTC Rogers joined the Committee staff on a detail to create employment opportunities for Wounded Warriors through the AbilityOne Program. LTC Rogers gave a three-phrase briefing: 1) what we have done to date, 2) developing partnerships, and 3) the implementation of employment opportunities.

LTC Rogers reported on his meetings with Walter Reed, NISH and NIB. LTC Rogers is going to draft a paper which explains how a partnership with AbilityOne would work and create a briefing/presentation to use as a marketing tool to outline AbilityOne capabilities.

Ms. LaWanda York, Committee staff, worked closely with LTC Rogers and visited a number of nonprofit agencies. LTC Rogers discussed a possible Memorandum of Understanding (MOU) with the Department of the Army.

Implementation of the program will include developing a database for job placements, attending job fairs and symposiums and adding information links to the website for job searches and placements.

Ms. James asked if LTC Rogers planned to do a briefing at the DoD Procurement Conference and Ms. Ballard responded in the affirmative.

Mr. Chamberlin said Larissa Timmerberg from his staff is very excited about the partnership. Mr. Houghton suggested that LTC Rogers visit Neil Romano's office to collaborate with ODEP. Mr. Romano said ODEP has a new program that deals with post traumatic syndrome and brain injuries.

Ms. Ballard said Mr. Shay Assad, Director of Procurement, Policy, and Acquisition Strategy, Department of Defense (DoD), has promised to double DoD's business with the AbilityOne Program, and will sign a memorandum of support. Ms. Ballard will inform the Committee when it has been signed.

Ms. Ballard also mentioned that Kyoung Lee, Committee staff, is working on updating the language for DoD Directives 5000 to request that AbilityOne be considered when choosing products and services.

Mr. Houghton said this issue came out of the Finance subcommittee and should be looked into more.

Ms. Ballard reported that in less than 30 days the Committee has increased education and awareness of the AbilityOne Program by reaching 1,400 procurement professionals.

Ms. Ballard attended the Army PCO and Intern Training Symposium and the DoD Conference. Ms. Ballard spoke at both conferences and the DoD Conference included workshops on the AbilityOne Program.

Ms. Kathy James, Department of the Air Force, said that the Air Force along with other services, is prepared to respond to the challenge made from Mr. Shay Assad, Director of Defense Procurement, to increase its AbilityOne awards.

At the 2008 NISH National Training Conference in April, the Army won two NISH awards and Mr. Assad asked, "Where's the Air Force?" As a result, Ms. James researched the question and was able to determine that:

- Since 2000, the Air Force either won or was first runner up for the NISH Government Award for local federal customer support four times, and won twice in the 1990s (1995, 1997).
- From 2002 to present, Air Force individuals were recognized in NISH Workplace Magazine no fewer than 24 times as AbilityOne Champions.
- Although no Air Force individual has recently won the Committee E.R. "Dick" Alley award, the Air Force has annually submitted multiple nominations for the award, with the result that for 2006, four Air Force nominees won the "Outstanding Contributions" award, and for 2007, two nominees won the "Outstanding Contributions" award.

Ms. James said all of these continuing awards and recognition reflect the fact that the Air Force has consistently and proactively supported the AbilityOne Program, and will continue to do so.

In addition, Ms. James announced changes in Air Force leadership:

- Mr. Charlie E. Williams, Jr. became the Director of the Defense Contract Management Agency (DCMA) in a change of command ceremony and retirement of Mr. Kevin Ernst, former director of DCMA, on May 6, 2008.
- Mr. Roger "Scott" Correll is the new Air Force Deputy Assistant Secretary (Contracting), replacing Mr. Williams.

After determining there was no further business, Mr. Houghton adjourned the meeting at 11:00 am and asked the Committee members to reconvene at 11:15 am for an Executive Session.

## **List of Attendees – May 8, 2008**

### **Committee Members**

Ed Anthony	Department of Education
Osborne Day	Private Citizen
Robert Henke	Department of Veterans Affairs
Andrew Houghton	Private Citizen
Kathleen James	Department of the Air Force
Robert Kelly	Private Citizen
Patrick Leahy	Department of Commerce
Felipe Mendoza	General Services Administration
James Omvig	Private Citizen
J. Anthony Poleo	Defense Logistics Agency
Neil Romano	Department of Labor
Edward Walters (via telephone)	Department of the Army

### **Committee Staff**

Tina Ballard  
Patricia Briscoe  
Margaret Hansen  
Robert Hartt  
Stephanie Lesko  
Barry Lineback  
Dennis Lockard  
Connie Mehr  
Angela Phifer  
LTC Michael Rogers  
Patrick Rowe  
Joan Smith  
Janet Yandik  
LaWanda York  
Kimberly Zeich

### **NISH**

Robert Chamberlin  
Dennis Fields  
Elizabeth Goodman  
Paul Plattner  
Barbara Van Allen



## **List of Attendees – May 8, 2008 (Continued)**

### **NIB**

Steve Brice  
Kevin Lynch  
Arun Shimpi

### **Government Representatives/Staffers**

Lisa Brown	Department of Agriculture
Aaron Collmann	General Services Administration
Patricia Cleveland	Department of Defense/DLA
Robert Grieser	UNICOR/Department of Justice
Mark Opilla	Department of the Navy
Martin Tillman	Department of the Army
Derek Underwood	Department of Veterans Affairs
Steve Weidner	Department of the Army

### **Others**

Paul Atkinson	Eggleston
Ellen Brown	Goodwill
Jim Casetta	?
Bob Daniels	?
Adele Gasparro	ORC Industries
Sharon Omvig	Private Citizen
Stephen Patterson	SABVI
Woody Van Valkenburgh	Rappahannock Goodwill
Lauren White	NAEPB